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HOUSE BILL 846

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

W. Ken Martinez

AN ACT

RELATING TO EDUCATION; AMENDING THE STATE EQUALIZATION
GUARANTEE DISTRIBUTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended) is amended to read:

"22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
DEFINITIONS-- DETERMINATION OF AMOUNT. --

A. The state equalization guarantee distribution
is that amount of money distributed to each school district to
ensure that the school district's operating revenue, including
its local and federal revenues as defined in this section, is
at least equal to the school district's program cost.

B. "Local revenue", as used in this section, means
ninety-five percent of receipts to the school district derived

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1 from that amount produced by a school district property tax
2 applied at the rate of fifty cents (\$.50) to each one thousand
3 dollars (\$1,000) of net taxable value of property allocated to
4 the school district and to the assessed value of products
5 severed and sold in the school district as determined under
6 the Oil and Gas Ad Valorem Production Tax Act and upon the
7 assessed value of equipment in the school district as
8 determined under the Oil and Gas Production Equipment Ad
9 Valorem Tax Act.

10 C. "Federal revenue", as used in this section,
11 means ninety-five percent of receipts to the school district,
12 excluding amounts which, if taken into account in the
13 computation of the state equalization guarantee distribution,
14 result, under federal law or regulations, in a reduction in or
15 elimination of federal school funding otherwise receivable by
16 the school district, derived from the following:

17 (1) the school district's share of forest
18 reserve funds distributed in accordance with Section 22-8-33
19 NMSA 1978; and

20 (2) grants from the federal government as
21 assistance to those areas affected by federal activity
22 authorized in accordance with Sections 236 through 240 of
23 Title 20 of the United States Code (commonly known as "PL 874
24 funds") or an amount equal to the revenue the district was
25 entitled to receive if no application was made for such funds

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1 but deducting from those grants the additional amounts to
2 which school districts would be entitled because of the
3 provisions of Subparagraph (D) of Paragraph (2) of Subsection
4 (d) of Section 238 of Title 20 of the United States Code.

5 D. To determine the amount of the state
6 equalization guarantee distribution, the state superintendent
7 shall:

8 (1) calculate the number of program units to
9 which each school district is entitled using the basic program
10 membership ~~[of]~~ for fiscal year 2000 for the prior year's
11 fortieth day for all programs; for fiscal year 2001 for the
12 prior year's seventieth day for all programs; for fiscal year
13 2002 for the prior year's one hundredth day for all programs;
14 for fiscal year 2003 for the prior year's one hundred
15 thirtieth day for all programs; and for fiscal year 2004 for
16 the prior year's one hundred sixtieth day for all programs;
17 provided that special education program units shall be
18 calculated using the membership in special education programs
19 on December 1; or

20 (2) calculate the number of program units to
21 which a school district operating under an approved year-round
22 school calendar is entitled using the basic program membership
23 on an appropriate date established by the state board; or

24 (3) calculate the number of program units to
25 which a school district with a basic program MEM of [200] two

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1 hundred or less is entitled by using the basic program
2 membership on the fortieth day of either the prior or the
3 current year, whichever is greater; provided that special
4 education program units shall be calculated using the
5 membership in special education programs on December 1 of
6 either the prior or the current year; and

7 (4) using the results of the calculations in
8 Paragraph (1), (2) or (3) of this subsection and the
9 instructional staff training and experience index from the
10 October report of the prior school year, establish a total
11 program cost of the school district;

12 (5) calculate the local and federal revenues
13 as defined in this section;

14 (6) deduct the sum of the calculations made
15 in Paragraph (5) of this subsection from the program cost
16 established in Paragraph (4) of this subsection; and

17 (7) deduct the total amount of guaranteed
18 energy savings contract payments that the state superintendent
19 determines will be made to the school district from the
20 [~~public school energy efficiency fund~~] public school utility
21 conservation fund during the fiscal year for which the state
22 equalization guarantee distribution is being computed.

23 E. The amount of the state equalization guarantee
24 distribution to which a school district is entitled is the
25 balance remaining after the deductions made in Paragraphs (6)

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1 and (7) of Subsection D of this section.

2 F. The state equalization guarantee distribution
3 shall be distributed prior to June 30 of each fiscal year.
4 The calculation shall be based on the local and federal
5 revenues specified in this section received from June 1 of the
6 previous fiscal year through May 31 of the fiscal year for
7 which the state equalization guarantee distribution is being
8 computed. In the event that a district has received more
9 state equalization guarantee funds than its entitlement, a
10 refund shall be made by the district to the state general
11 fund.

12 G. Notwithstanding the methods of calculating the
13 state equalization guarantee distribution in this section and
14 Laws 1974, Chapter 8, Section 22, if a school district
15 received funds under Section 2391 of Title 42 USCA and if the
16 federal government takes into consideration grants authorized
17 by Sections 236 through 240 of Title 20 of the United States
18 Code and all other revenues available to the school district
19 in determining the level of federal support for the school
20 district for the sixty-fourth and succeeding fiscal years, the
21 state equalization guarantee distribution for school districts
22 receiving funds under this subsection shall be computed as
23 follows:

24	fiscal year program cost	prior fiscal year
25	excluding special education	state equalization

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1 for the year for which the x guarantee distribution
2 state equalization guarantee excluding special
3 distribution is being computed education
4 _____

5 prior fiscal year program cost
6 excluding special education

7 plus special education funding in accordance with Paragraphs (1),
8 (2) or (3) and (4) of Subsection D of this section and Section
9 22-8-21 NMSA 1978 plus an amount that would be produced by
10 applying a rate of eight dollars forty-two and one-half cents
11 (\$8.425) to each one thousand dollars (\$1,000) of net taxable
12 value of property as defined in the Property Tax Code for
13 property taxation purposes in the school district and to each one
14 thousand dollars (\$1,000) of the assessed value of products
15 severed and sold in the school district as determined under the
16 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
17 value of equipment in the school district as determined under the
18 Oil and Gas Production Equipment Ad Valorem Tax Act and then
19 reduced by the total amount of guaranteed energy savings contract
20 payments, if any, that the state superintendent determines will
21 be made to the school district from the [~~public school energy~~
22 ~~efficiency fund~~] public school utility conservation fund during
23 the fiscal year for which the state equalization guarantee
24 distribution is being computed, equals the fiscal year state
25 equalization guarantee distribution for the year for which the

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1 state equalization guarantee distribution is being computed.

2 If at any time grants from the federal government as
3 assistance to those areas affected by federal activity authorized
4 in accordance with Sections 236 through 240 of Title 20 of the
5 United States Code (commonly known as "PL 874 funds") are reduced
6 or are no longer available, the state equalization guarantee
7 distribution shall be computed by the formula contained in this
8 subsection plus an increase by fifty percent of the amount the
9 prior year's PL 874 funds exceed PL 874 funds for the year for
10 which the state equalization guarantee distribution is being
11 computed. "